

Legal Notice

Partial Bond Release and Comprehensive Five-Year Bond Review for Montana Tunnels Mining Inc (Hard Rock Mining Operating Permit No. 00160)

The Department of Environmental Quality (DEQ) has received a request for bond release from Montana Tunnels Mining Inc.'s (MTMI) Diamond Hill Mine. MTMI is authorized to operate an underground gold mine in accordance with Operating Permit No. 00160. The site is on private and BLM lands in T7N R1W, Section 36, and T6N, R1W, Section 1, approximately 8 miles northwest of Townsend, MT in Broadwater County.

DEQ currently holds a reclamation bond in the amount of \$816,080. DEQ previously increased the required reclamation bond amount to \$876,914 on July 12, 2019, but MTMI did not post the additional required bond resulting in a bond deficiency of \$60,834.

MTMI submitted a bond release request for reclamation of the waste rock dump (3.1 acres), exploration road cuts (0.8 acres), grading of the ore loadout area (0.9 acres), and removal of old buildings and scrap. Completion of the reclamation tasks resulted in a proposed bond release of \$239,435.

In addition to the request for bond release, DEQ is conducting a comprehensive bond review for Operating Permit No. 00160. DEQ has determined that the current bonding level does not represent the present costs of compliance with the Metal Mine Reclamation Act, administrative rules adopted thereunder, and the operating permit. DEQ is proposing to increase the bond for portions of the mine site that remain un-reclaimed by \$140,154. The bond increase is largely due to changes in fuel price, equipment rates, removal of nonmobile site equipment and updated indirect costs such as mobilization, contingency, and administration.

DEQ has determined the net effect on the bond from the release request (\$239,435), comprehensive bond review (\$140,154), and MTMI's current bond shortfall (\$60,834) is a bond release of \$38,447. DEQ is proposing to release \$38,447 and retain \$777,633 after both releasing bond for completed reclamation tasks and increasing the bond as a result of a comprehensive bond review.

The procedure for adjusting bonds as a result of a comprehensive bond review is set forth in Section 82-4-338(3), Montana Code Annotated (MCA). Pursuant to Section 82-4-338(5), MCA, DEQ may not release or decrease a reclamation bond until the public has been provided an opportunity for a hearing and a hearing has been held if requested. The company and the public will have until July 18, 2023, to comment on these proposed changes to the bond amount. DEQ will issue a final bond determination after the comment period has expired. The company, or any person with an interest that may be adversely affected by DEQ's final bond determination, may obtain a contested case hearing before the Board of Environmental Review. A written request for a hearing must be filed with DEQ within 30 days of the issuance of the final bond determination, stating the reason for the request.

Requests for copies of the bond calculation associated with the comprehensive bond review, and any related questions should be directed to Eric Dahlgren, Hard Rock Mining Section Supervisor, Mining Bureau, Department of Environmental Quality, PO Box 200901, Helena, MT 59620-0901, by telephone at (406) 444-5245 or by e-mail at edahlgren@mt.gov.